



January 2004



SCHOOL FINANCE UPDATE

A Monthly Newsletter Published by the School Finance Division

Montana Office of Public Instruction
Box 202501
Helena, MT 59620-2501

Phone (406) 444-4401
FAX (406) 444-0509
<http://www.opi.state.mt.us>

Linda McCulloch, State Superintendent

This monthly newsletter is emailed to school districts, county superintendents, county treasurers, and auditors. The newsletter is intended to reach all district staff involved in budgeting, accounting, enrollment, special education funding, and federal programs. Please forward this information to all interested parties. Got suggestions for items to include here? We'd love to hear from you!

Spring Enrollment Count
Date: Monday, February 2.

Spring Enrollment Due at
OPI: February 11.

Spring Enrollment Count

On January 26, OPI emailed all users a message that MAEFAIRS is open for spring enrollment on Citrix (IRIS) via the OPI web-page. Please print paper forms and distribute, along with instructions from the MAEFAIRS system, to whoever will take the counts. If your enrollment is submitted on MAEFAIRS, OPI does not need paper copies.

Non-MAEFAIRS (paper) Filers - OPI will mail paper forms and instructions to paper-filing districts. [NOTE: If someone else does your MAEFAIRS entry, you are not a paper filer -- your Registered MAEFAIRS User will send your forms to you.]

Enrollment is due by February 11, but earlier is even better. Those needing assistance accessing the electronic system, contact Nica Carte (406) 444-4401 or ncarte@state.mt.us.

If you have questions about enrollment or counting students, contact Tal Redpath (406) 444-3024 or fredpath@state.mt.us.

FY 2004-05 General Fund Budget Info

Excel spreadsheets for preliminary calculations of general fund budget limits and funding are available under the <School Finance> area of the website. An email message was sent to notify schools they are available. OPI contact: Nica Carte (406) 444-4401 or email ncarte@state.mt.us.

Feds Launch Grants.gov

The Bush administration recently unveiled Grants.gov, billed as a "one-stop shopping" resource for getting information and applying for all federal grants, at the following link: <http://www.jointogether.org/y/0,2521,568077,00.html?U=136627>

FY04 General Fund Budget Data

The school general fund budget data is posted on the OPI website at: http://www.metnet.state.mt.us/SchoolFinance/School_Finance/Dist.%20Budget%20Data/

This file contains detailed general fund budget data for every operating school district.

Following are some highlights from the data:

- School general fund budgets total \$754.2 million for 2003-2004.
- General fund budgets grew by \$6.99 million or 0.94% from FY03 to FY04.
- Direct state aid fell by \$.13 million or 0.04% from FY03 to FY04.
- State Guaranteed Tax Base Aid to support the district general fund increased by \$1.16 million or 1.14% from FY03 to FY04.
- Property taxes to support district general fund budgets increased by \$10.60 million or 4.73%.
- Forty percent of K-12 public school students are in districts that are operating at or above the maximum general fund budget level.

OPI Contact: Jim Oberembt (406) 444-1257 or email joberembt@state.mt.us.



Preliminary Budget Data Sheets to be Issued March 1

Preliminary Budget Data Sheets for FY 2004-05 will be posted on the OPI website on March 1, 2004. The Budget Data Sheets reflect direct state aid, ANB, special education block grant rates, disproportionate cost funding and GTB subsidies. OPI Contact: Bonnie Maze (406) 444-3249 or bmaze@state.mt.us.

| Entitlements for FY05 | | |
|------------------------------|-----------|-------------|
| | Elem | High School |
| Basic | \$ 19,859 | \$220,646 |
| Per-ANB | \$ 4,031 | \$ 5,371 |

MASBO Plans Budget Workshops

The Montana Association of School Business Officials (MASBO) will hold budget workshops in 3 locations during March.

Sessions are planned for March 7 & 8 in Great Falls, March 21 & 22 in Glendive and March 28 & 29 in Kalispell. Participants will bring their district's budget data sheets, enrollment reports, and prior year budgets and will work through the general fund budget during the session using manual worksheets. Bonnie Maze and Nancy Hall will be present at all three workshops.

Contact Lynda Brannon, MASBO Executive Director at (406) 442-5599 to register. There is a charge for the workshop.

2004 Elections

Elections Calendar

The calendar for the May 4, 2004 trustee and general fund election has been updated and is posted at the following website: <http://www.opi.state.mt.us/PDF/SchoolFinance/forms/2004ElectionCal.pdf>.

Voter ID Requirement

The Secretary of State's Office, OPI, and MSBA recently determined that the voter ID requirements are not the same for school elections as for other elections. OPI sent an official email concerning this statement in December 2003. See the memo posted at: <http://www.opi.state.mt.us/PDF/SchoolFinance/forms/VoterID.pdf>

Need more information about elections? Contact Mike Waterman at (406) 444-4524 or mwaterman@state.mt.us.

A-133 "Federal" Audits due to OPI March 31 for FY 2002-03

School districts that spent more than \$300,000 of Federal assistance, including USDA commodities, in FY 2002-03 must submit an audit report to OPI by March 31, 2004. Late audits may cause withholding of funds on current year grant projects.

Districts that spent less than \$300,000 of Federal assistance must submit an audit report to OPI within one year of the close of the fiscal year (i.e., FY2002-03 audits will be due June 30, 2004). Small districts with less than \$200,000 of total revenues in all funds combined must have an audit "review" every four years upon OPI request. OPI Contact: Mike Waterman (406) 444-4524 or mwaterman@state.mt.us.

U.S. Dept. of Education to Hold Hearing on Retirement Fund Restrictions

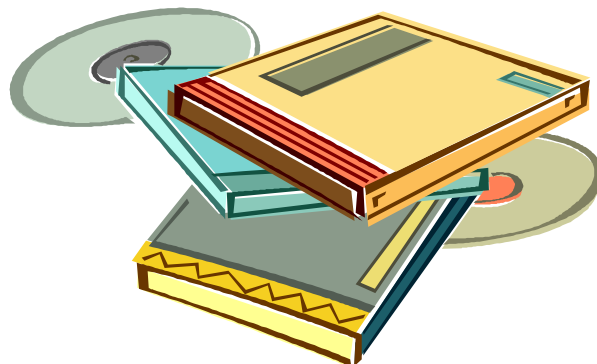
The U.S. Dept. of Education's (USDOE) Impact Aid Program will hold a hearing in Room 317 of the State Capitol in Helena on March 23, 2004, at 1:30 p.m. The Montana Indian Impact Aid Schools Association asked USDOE to determine whether MCA Section 20-9-501 as amended by SB 424 (2003 Session) violates Section 8009(a) of Impact Aid law. Section 8009 prohibits states from considering (i.e., reducing) state aid to districts on the basis of their receipt of Impact Aid. SB 424 placed restrictions on districts' use of the Retirement Fund for retirement benefits of federally-salaried district employees. USDOE will determine if the Retirement Fund restriction, and any resulting reduction in state aid (state guaranteed tax base aid paid in support of the county retirement levy), violates Section 8009.

USDOE will be sending notice of the hearing to all Montana school districts. For districts unable to attend the hearing, the Department's notification will contain instructions for submitting written comment. OPI is planning to make the hearing available to districts via video-streaming. USDOE Contact: Catherine Schagh, Impact Aid Program Director, at 202-260-3858 or Catherine.Schagh@ed.gov. OPI Contact: Tal Redpath, 406-444-3024 or fredpath@state.mt.us.

Microsoft Software Giveaways

The Microsoft Corporation will donate computer software to support the creation of community-based technology and learning centers that seek to bridge the "digital divide" and fight technological illiteracy. Non-profits that have the necessary computer hardware to run the requested software may apply. Groups that operate afterschool programs are encouraged to apply.

For more information, see the Microsoft website at <http://www.microsoft.com/mscorp/citizenship/giving/apply/> or contact Microsoft Corporation, Community Affairs, 1 Microsoft Way, Redmond, WA 98052; 206-936-8185.



Technology Funds

Need info regarding the recent distribution of \$1.75 million in funding for district technology programs? See the memo posted at: <http://www.opi.state.mt.us/PDF/SchoolFinance/TechFundinfo.pdf> For more info, contact Bonnie Maze at bmaze@state.mt.us or 444-3249, or Nancy Hall at nhall@state.mt.us or 444-9852.

Coding Medicaid Payments for the CSCT Program

Deposit Medicaid receipts in the Miscellaneous Programs Fund 15 under a separate project reporter code. Code receipts for regular School Based Services (SBS) using

revenue sources 3351-3355. This payment will be a reimbursement for services such as physical therapy, speech therapy, etc. Code receipts for the new Comprehensive School and Community Treatment Services program (CSCT) using revenue source 3356. Code expenditures using expenditure program 100 regular education services or 280 special education services. School districts do not have to maintain effort on Medicaid funds. OPI Contact: Jim Oberembt (406) 444-1257 or joberembt@state.mt.us.

Bus Inspections in January

Buses must pass inspection for 2nd semester **by January 31, 2004**, in order to be eligible for full funding for the semester. OPI mailed pre-filled TR-13 Bus Inspection Forms to district clerks in December. Plan inspections early to allow time for re-inspection by January 31, if necessary. OPI Contact: Maxine Mougeot, 444-3096 or mmougeot@state.mt.us.



Transportation Claims Due in February

In mid-January, OPI mailed each district clerk the 1st semester claims for transportation reimbursements (TR-5 and TR-6 forms). Claims are due from the district to the County Superintendent by February 1 and to OPI by February 15. OPI pays 1st semester reimbursements in March. Claims received after the February 15 deadline will be paid with the second semester claims in June. OPI contact: Maxine Mougeot, 444-3096 or mmougeot@state.mt.us

Questions or comments about this newsletter?

Contact Joan Anderson at (406) 444-1960 or janderson@state.mt.us.

NEW OPI Deputy Superintendent

Dennis "Bud" Williams was recently appointed as the new Montana OPI Deputy Superintendent.

Dennis "Bud" Williams is currently semi-retired and resides in Great Falls. For the past three years, Bud has served as a interim Superintendent for school districts in Kalispell ('02-'03) and Highwood ('00-'01). Williams began teaching in Power Public Schools in 1970. He later served as principal starting in 1974. From 1977-86 Williams was the Superintendent for the Highwood Public Schools. In the fall of 1986, Williams became the Superintendent for the Conrad Public Schools through 1996. He also served as Assistant Superintendent of the Kalispell Public Schools for the 1998-99 school year.

Bud's 29 years of service to Montana schools is an invaluable asset to the OPI. Bud is a recognized state leader for his work ensuring all Montana school children receive a high quality education. His long time advocacy for education at the Legislature has earned him the respect and thanks of parents and educators across Montana.

Bud Williams has been active on a wide variety of education organizations and committees. He has twice received the Montana School Board Association's "School and Community Service Award" (2003 & 1993). Williams has served on the State Commission on Special Education Finance ('93-'94) and served two terms as Chairman of the North Central Montana School Administrators. He was Chairman of the Big Sky Special Education Cooperative and President of the North Central Special Education Cooperative. Williams has also been Chairman of the Montana Education Health Trust and served on legislative and school finance committees of the School Administrators of Montana.

Getting Prepared for GASB 34

For audits of FY04, all districts with more than \$200,000 of revenues in all funds are subject to the new GASB 34 reporting requirements. Have you done these things in preparation for GASB 34?

1. Update the Fixed Asset records and inventory? The inventory should be current with all assets that meet your district's capitalization policy (usually, \$5000 and a life of more than 1 year).

2. Draft the Management Discussion and Analysis (MD&A)? The district clerk and/or superintendent must write a statement that recaps basic district financial activity and position. OPI has posted an example to help you:

<http://www.opi.state.mt.us/PDF/SchoolFinance/GASB/MD&AModel.pdf>

3. Contacted the auditor? You should have answers for these questions: a) Who will prepare the financial statements for the audit; b) Who will prepare the depreciation schedules for audit; c) Are there any "component units" to include in the school's audit; and d) What else would they recommend you do to prepare for GASB 34 implementation?

4. Prepare a depreciation schedule for fixed assets? Some auditors may do this task for a fee or as part of the audit, and others will not. If you have to prepare it, OPI has posted an example as guidance at:

<http://www.opi.state.mt.us/PDF/SchoolFinance/GASB/GASB34De.pdf>

To avoid unnecessary audit delays and costly misunderstandings, don't delay these tasks! For more information, please visit the OPI GASB 34 web page:

<http://www.opi.state.mt.us/schoolfinance/gasb34.html>

Contact Denise Ulberg at (406) 444-0783 or dulberg@state.mt.us.

Useful Websites

List of all Official OPI E-Mails:

http://www.metnet.state.mt.us/Official_Mail



OPI's "Get Answers" searchable databases:

http://data.opi.state.mt.us/scripts/rightnow.cfg/php.exe/enduser/std_alp.php

Bus Safety and Driver Training Videos:

<http://www.opi.state.mt.us/pdf/pupiltransport/TrainingVideos.pdf>

School Finance Forms and Publications:

<http://www.opi.state.mt.us/schoolfinance/forms.html>

CFDA Numbers for Federal Grants: [http://](http://www.opi.state.mt.us/FederalPrograms/handbook.html)

www.opi.state.mt.us/FederalPrograms/handbook.html (Appendix F of the OPI State and Federal Grants Handbook)

Montana Codes Annotated (MCA) Online:

<http://www.opi.state.mt.us/masterMCASearch.htm>

OPI School Finance Division Staff

Joan Anderson janderson@state.mt.us

Nica Carte ncarte@state.mt.us

Bonnie Maze bmaze@state.mt.us

Jim Oberembt joberembt@state.mt.us

Tal Redpath trredpath@state.mt.us

Nancy Hall nhall@state.mt.us

Denise Ulberg dulberg@state.mt.us

Mike Waterman mwaterman@state.mt.us

Maxine Mougeot mmougeot@state.mt.us